



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE: **PJ-2**

October 7, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD SUPPLEMENTAL AGREEMENT 1
SMITH-EMERY COMPANY
CONTRACT PW-12668; C.P. 70787
SUPERVISORIAL DISTRICT 1
3 VOTES**

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD:

Award and authorize the Interim Director of Public Works to execute Supplemental Agreement 1 to Consultant Services Agreement PW-12668 with Smith-Emery Company to provide supplemental materials testing and special inspection services during the construction of the LAC+USC Medical Center Replacement Project, for a not to exceed amount of \$3,000,000, funded from Federal and State earthquake disaster assistance monies and the issuance of short-, medium-, and long-term financing, and to establish the effective date following Board approval.

REASON AND SCOPE

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing Coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Contract Supplement	<input checked="" type="checkbox"/>		

Approving the recommended action will provide sufficient funding for Smith-Emery to complete the remaining materials testing and special inspection services as required by the Office of Statewide Health Planning and Development, the California Building Code, and the Los Angeles County Building Code.

BACKGROUND AND JUSTIFICATION

On February 20, 2003, your Board awarded Agreement PW-12668 to Smith-Emery in the amount of \$5,781,000 to provide materials testing and special inspection services for the project. This contract amount was proposed by Smith-Emery to provide a work effort based on a summary level schedule of anticipated construction activities, developed by Public Works and its consultants prior to award of the construction contract, and upon experience and data from similar projects.

Subsequent to the award of this contract, Public Works reviewed and approved the contractor's detailed construction schedule. This detailed construction schedule indicated a higher level of inspection effort would be required for this project than was originally projected. Also, at the outset of the construction work, OSHPD began to impose a much more rigorous interpretation of its inspection requirements than had been experienced on previous projects. This more rigorous inspection included continuous uninterrupted inspection rather than periodic or regularly scheduled inspection of virtually all welding. This additional level of inspection alone accounts for nearly all of the funding increases for this contract. We have also added roofing and waterproofing inspections to the original scope of the contract. Finally, the additional funding provides for an increase to the previously approved hourly rates for special inspection services commensurate with current industry standards.

FISCAL IMPACT

Approval of this action will not require an increase to the project budget. The recommended supplemental agreement with Smith-Emery, for a not to exceed fee of \$3,000,000, will bring the total contract amount with Smith-Emery for materials testing and special inspection services to \$8,781,000. The recommended supplement will be funded by the consultant and vendor project contingency monies included in the current project budget. The Project Budget Summary is included in the Enclosure.

The Honorable Board of Supervisors
October 7, 2004
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CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Interim Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

RW:ejt
Smith-Emery Supplemental Agreement 1

Enc.

cc: County Counsel
Department of Health Services (Fred Leaf, Azar Kattan)
Project Advisory Committee (A. Redmond Doms, Jerry Epstein, Nick Patsaouras)

October 7, 2004

ENCLOSURE

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD SUPPLEMENTAL AGREEMENT 1
SMITH-EMERY COMPANY
CONTRACT PW-12668; C.P. 70787**

PROJECT BUDGET SUMMARY

Budget Category	Current Board Approved Budget	Impact Of This Action	Revised Project Budget
Land Acquisition	\$ 12,250,000	\$ 0	\$ 12,250,000
Make Ready (Bid Package A-1)	\$ 9,800,000	\$ 0	\$ 9,800,000
Construction			
Site Preparation	\$ 11,813,750	\$ 0	\$ 11,813,750
Remaining Construction Work			
(a) Base Bid	\$ 497,883,000	\$ 0	\$ 497,883,000
(b) Base Isolator Bearings	\$ 814,626	\$ 0	\$ 814,626
(c) Contingency (7.9 percent)	\$ 39,488,624	\$ 0	\$ 39,488,624
Remaining Work Subtotal	\$ 538,186,250	\$ 0	\$ 538,186,250
Construction Total	\$ 550,000,000	\$ 0	\$ 550,000,000
Equipment (Medical, Telecommunications/Data, and FFE)	\$ 96,964,000	\$ 0	\$ 96,964,000
Architectural Services	\$ 49,600,000	\$ 0	\$ 49,600,000
Consultants and Vendor Services	\$ 72,498,000	\$ 0	\$ 72,498,000
Permits and Fees	\$ 9,112,000	\$ 0	\$ 9,112,000
County Services	\$ 20,334,000	\$ 0	\$ 20,334,000
TOTAL	\$ 820,558,000	\$ 0	\$ 820,558,000